



LUND UNIVERSITY

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Master Programme in Economic History

## CORRUPTION IN NIGERIA.

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**Abstract:** Any attempt to understand the developmental and democratic predicament of Nigeria should take into consideration the problem of endemic corruption in the country. Political and bureaucratic corruption is so widespread that it has engulfed the Nigerian political system at all levels of government. However, it will be wrong and indeed unfair to assume that successive governments have done nothing about the problem of pandemic corruption. Virtually all the regimes since independence in 1960 to date have tried one way or another to solve the problem of political corruption with little success. There is also evidence to show that almost all the Nigerian leaders who came into power promising to end corruption themselves became corrupt. What then are the factors precipitating political corruption and why has corruption become so pervasive and the problem seemingly unsolvable in Nigeria? This paper analyzes corruption in Nigeria from an institutionalized or systemic point of view as against focusing so much on the actions of individual players. It is further postulated that corruption in the formal institution has reduced Nigeria to a soft state and that the informal institution is equally as corrupt because of its strong emphasis on kinship, loyalty and reciprocity. The paper concludes by acknowledging the fact that political and bureaucratic corruption has assumed alarming proportions but rejects the stigma of 'culture of corruption' often used to describe Nigeria among the International community when viewed against the recent successes the country had recorded in her fight against corruption.

*Key words: Institutions; Corruption; Public bureaucracy; Soft State; Tribalism; Politicians.*

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# CHAPTER 1

## 1. Introduction

Corruption, in its various guises and forms, is a global phenomenon, particularly in many developing countries of Africa, Latin America and Asia. Corruption poses a major constraint to economic and social development. The existence of corrupt practices among very high government officials and politicians has been attested to by studies carried out by many scholars (Johann Graf Lambsdorff, Susan-Rose Ackerman, Donatella della Porta and Alberto Vannucci). The general agreement among these scholars is that corruption is reduced to a minimum in the developed world because amongst other factors, these countries have been able to create institutions to contain such malpractices. This marks a great departure from the situation prevailing in many developing countries, among them Nigeria, which are characterized by bad institutions, lack of transparency, inability to separate public activities from private ones and cultures and traditions that are inimical to the creation of effective check and balance mechanisms.

### 1.1 Background to the Study

Nigeria is the most populous black nation with an estimated population of 150 million people and still growing. It has a population larger than sixteen West African Countries put together which makes it a very important player not only within West Africa but Africa in general.

Transparency International (TI) rates Nigeria to be among some of the most corrupt countries in the World. This fact has had a negative impact on Nigeria both economically and politically thereby denying the country the much needed Foreign Direct Investment (FDI) since potential investors are wary of investing in a country that is believed to be so corrupt.

Corruption is so widespread in Nigeria that it has penetrated the very fabric of the society. It cannot be eliminated or even reduced to a minimum without doing a study to find out those factors that are responsible for nurturing corrupt practices on the one hand and the effects or consequences of acts of corruption on the country on the other hand. It is hoped that this study will contribute to an understanding of how bad the situation really is and offer suggestions as to how to minimize the consequences.

The study will highlight some of the leading causes of corruption in Nigeria. Variables such as culture, institutional structures, family/kinship and the judiciary will be examined with a view to see how they contribute to corruption. We will also look at trend and magnitude of corruption in Nigeria since independence in 1960 to 2007, while bearing in mind that these periods cover both the military and civilian rule which are commonly referred to as the first, second and third republic respectively. Furthermore, the consequences of corruption from the political, economic and the social angles will be examined.

## **1.2 Research Question**

This study seeks to investigate the causes and consequences of corruption in Nigeria from the period 1960 when Nigeria became an independent nation from British colonial rule to 2007.

## **1.3 Limitation of the Study**

The study will cover the period 1960 to 2007 since this period covers both the era of military rule and democratic rule in Nigeria, starting from the first republic up to the third republic. The variables mentioned above will act as guide for the study.

## **1.4 Methodology**

This study is partially descriptive and partially exploratory in nature. The study relies mainly on secondary data. To this end, a review of previous studies on corruption will be carried out. Academic journals, articles, magazines and textbooks will come quite handy.

## CHAPTER II.

### 2. CONCEPTUAL AND THEORETICAL FRAMEWORK

#### 2.1 Conceptual Analysis.

A robust definition of the term “corruption” which encompasses all aspects of corruption is lacking because of the nature of the subject matter itself. This is particularly the case with Nigeria where Nigerians see corruption not only as the abuse of state offices for personal or private gain but also as encompassing a whole range of other social behaviors allowing morally questionable deceptions leading to the achievement of wealth, power, or prestige as well as much more mundane ambitions (Smith 2007). To the Nigerian therefore, corruption entails a wide range of social ills such as: government bribery and graft, election mal-practices, fraudulent business deals (popularly known as 419-named after the particular section of the Nigerian constitution that stipulates sanctions for such crimes), ritual killings, cheating in school, importation and distribution of fake or sub-standard goods, political god-fatherism, politically motivated assassinations etc<sup>1</sup>. We shall however, for the purpose of this study, narrow our definition down to cover systemic (institutionalized) corruption as against the actions of individual players in Nigeria.

Not minding the indigenous definition of corruption by Nigerians however, it is important that we highlight some of the definitions put forward by scholars which have gained general acceptability. Corruption is defined most of the time by economists as the “use of public office for private gains” (Bardhan, 2003). According to Svensson (2005), “it is the misuse of public office for private gain”. Here, the term misuse connotes applying a legal standard which would capture the sale of government property by government officials, kickbacks in public procurement, bribery and embezzlement of government funds. For Mauro (1998), “corruption is the abuse of public office for private gain”. It can be deduced from the above, that corruption refers to the abuse of public resources for private gain, through a hidden transaction that involves the violation of some standards of behavior.

A noticeable feature of the above definitions is that it connotes legality. According to Peters (1978 cf Ogundiya 2009), from the legal perspective, political corruption is connected to any behavior that violates some formal standard or rule of behavior set down by a political system for its public officials. Here, one sees a deliberate effort by the political system to set standard or virtue which public office holders must follow. This also brings us to the definition of corruption from the radical point of view of Machiavelli who sees it as the “destruction of citizen’s virtues”<sup>2</sup>.

Some critics have however argued, that in many societies, the law lacks legitimacy and consistent meaning. Legalisms, they argue, depicts little about the social significance of behavior and that public opinion or cultural standards are best for building realistic definition(s) of corruption (see Peters and Welch 1978 cf. Ogundiya 2009). Here again, we are confronted with a problem since this definition assumed that a political system can only be said to be corrupt if the weight of public

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<sup>1</sup> Smith (2007; p 5 )

<sup>2</sup> See Donatella della Porta & Alberto Vannucci (1999; p 16)

opinion perceives it to be so. In every society, we have the public opinion and the elite opinion and more often than not, the opinions of the elites are misconstrued to be the opinion of the public. The reason for this is due largely to the fact that virtually all the instruments of propaganda with particular emphasis on the press media are owned and maintained by the elites who, therefore, have the ability to sell their opinion as that of the public. This is particularly the case with most developing countries and countries in transition.

In the Nigerian context, corruption can be viewed from the social, legal, political, economic, institutional and ethical connotations. This is particularly so since corruption in Nigeria comes in various forms and dimensions with every facet of the society corrupt or exhibiting the tendency to be corrupt. For the purpose of this study therefore and in order to be able to adequately focus on the Nigerian situation, corruption will be defined as the “misuse or improper use of power and influence, deliberately and consciously for personal aggrandizement or group advantage”<sup>3</sup>. Power is here used to refer to political power and it is seen from the above definition that such power or political power are entrusted in the hands of a few often called “political agents” by the public usually referred to as the “principal” for the sole purpose of bringing the dividend of good governance to the generality of the people in a given society. It is this trust that is often abused leading to a situation whereby “public good” that ought to be used for the general welfare of all is hijacked as the exclusive rights and property of a few political and public office holders. The role of politics cannot therefore be overemphasized or separated from the above definition since corruption in Nigeria is largely tied to politics though not limited to it.

## **2.2. Theoretical Framework.**

In order to be able to make and enforce laws for the peaceful co-existence of the people within a given state, institutional framework which encompasses the armed forces, the civil service, state bureaucracy, the courts and the police are needed. In the case of Nigeria, the state not only leads but also embodies the society, the individuals and the collective players within the society. Therefore, for any given state to be able to function properly and play its constitutional entrenched role as a state, institutions must exist followed by the political will on the part of public office holders to adhere strictly to the dictates of the constitution which really should be the source of any institutional arrangement. Such institutions may be “good” or ‘bad’ institutions and it may also be “strong” or “weak” institutions depending on the state and to a large extent the ‘sincerity of the dominant political players within the particular state’<sup>4</sup>. While the developed countries are characterized by good/strong institutions, the developing and many transition states are characterized by bad/weak institutions. In the case of Nigeria, it is the weak institutions without any strong inbuilt mechanisms to regulate the conduct or interaction of the people that act as a motivation for corrupt practices.

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<sup>3</sup> See Ogundiya (2009 p 282)

<sup>4</sup> See Acemoglu et al (May 2004)

In order to be able to effectively analyze some determinants of corruption; we have to concentrate on its “institutional features.”<sup>5</sup> According to North, “institutions are the humanly devised constraints that structure political, economic and social interaction”.<sup>6</sup> The political structure has a big influence on the economic sector and also goes a long way in determining the social structure. To these interactions, there are constraints as provided for in the kind of institutional arrangement that is endogenous to a given society and most often entrenched in the constitution. This again calls to mind the theoretical postulation that “institutions provide the incentive structure of an economy: as that structure evolves, it shapes the direction of economic change towards growth, stagnation or decline”<sup>7</sup>. This is particularly true of Nigeria where the institutions have failed to provide the needed impetus for growth but rather has created a situation where political office holders under the cover of weak institutional arrangements have almost ran the country aground.

For Rodrik, institutions are ‘a set of humanly devised behavioral rules that govern and shape the interactions of human beings, in part by helping them to form expectations of what others will do’<sup>8</sup>. Here again, we see how institutional arrangements help in building trust in a society as each player assumes that the other player is going to play fair with him. This trust is brought about as a result of the fact that every member of the society is aware that there are consequences for every action taken and that there are laid down rules and regulations to enforce such actions or inactions as the case may be. It follows therefore, that if corruption and corrupt practices become embedded in the psyche of the people; particularly the political class, as is the case in Nigeria, the tendency is there for every member of the society to want to cut corners as it gradually becomes the norm rather than the exception. This brings us to the issue of “corruption by greed and corruption by need”<sup>9</sup>. The former is widely associated with top public office holders which include the President, ministers, state governors, inspector general of police (IGP) and very senior public servants like the director general of a government owned parastatal. These groups often engage in corrupt practices for the sake of the exercise. The latter is associated with the middle and lower cadre bureaucrats in the ministry, the junior officers in the immigrations office who must collect bribe to fast track the processing of an international passport and, the men of the Nigerian police who prefers to extort money from motorist not minding whether or not they constitute a risk to other road users. This latter group who often generates small increments to their low salaries, are quick to justify their corrupt acts not only by linking it to the fact that others above them are doing the same but goes a step further to argue that they only engage in corrupt practices because of their poor financial status. The impression is therefore created that were they on a better financial position than what the remuneration associated with their jobs provide for them, then they were not likely to engage in corrupt practices. Using this argument, ‘corruption by need’ can easily be justified in the case of Nigeria where the remuneration for civil servants is poor coupled with the low cost associated with corruption in terms of sanction or deterrent.

In developing the analysis of collective action, Commons (1931) defined institutions “as made up of collective actions, which along with conflict of interests define the economy”. Commons studied

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<sup>5</sup> Daniel Ledermann et al (November 2001)

<sup>6</sup> North (1991)

<sup>7</sup> ibid

<sup>8</sup> See Rodrik et al (2002)

<sup>9</sup> See Hatti et al (2010; p 6)

the relationship between individuals as against individual choice. For him, it is the collective actions or inactions of the people in relationship with one another in a given society that determines the economic outcome of such society. This readily leads to the idea of having an informal institutional arrangement that emphasizes trust, honesty, loyalty and healthy social networks in form of social capital<sup>10</sup>. While Putnam (2000) can be said to have captured what an ideal informal institution should encompass, the informal institutions in Nigeria with strong emphasis on reciprocity cannot be said to be honest. Agreed that there is a high level of trust, loyalty and social networking among the kinsmen and village units but that is where it ends. As we begin to move from that micro level of family and village settings, the level of trust and honesty becomes drastically reduced.

Our theoretical underpinnings are found in the formal and informal institutional aspects of the Nigerian society. This study, therefore, will attempt to substantiate the following hypotheses;

Firstly, the weak formal institutional arrangement in Nigeria is a strong motivation for corruption and corrupt practices.

Secondly, the informal institutions, with their strong emphasis on reciprocity and loyalty to the family, clan or tribe, also provide a strong motivation for corruption and corrupt practices.

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<sup>10</sup> Putnam Robert M, (2000), "Bowling Alone"

## CHAPTER III

### REVIEW OF LITERATURE.

#### 3.1. Introduction

In a capitalist oriented type of market, it is assumed that the so called “Invisible Hand” of Adams Smith not only bring about competition, but acts in such a way as to regulate the market. Suppliers bring a wide range of goods and services to the market and buyers/consumers are thus, able to choose from the wide range of goods and services offered by competitive suppliers. The capitalist market is also characterized by market alternatives, with free entry and exit into the market coupled with perfect information among others. The market is such that the more efficient businesses prosper while the inefficient ones more often than not go under. The capitalist markets therefore, with its inbuilt mechanisms provide a hedge against dysfunctional practices that could lead to imperfection in the market which may in turn bring about corrupt practices.

We may reflect on another case scenario. A situation where the goods and services offered are unique. In this situation, there is usually no other acceptable market alternatives and the price mechanism with its emphasis on bringing buyers and sellers to a market determined equilibrium is made dysfunctional, a rent seeking situation leading to corrupt practices is created. The rent seeker who is often aware that he is the only seller of such good or service creates a situation whereby the highest bidder gets the given good or service<sup>11</sup>. Example of this is when the government delegates the power of granting an import license to a given person (agency) or bidding for tender in a public work projects or the sale of government owned corporations during privatization and commercialization exercises. This is a very common scenario in Nigeria where government officials and bureaucrats act as though they are on a ‘mission to asphyxiate the wealth of the state’<sup>12</sup>.

Nigeria being a complex entity is bedeviled by numerous social, economic and political problems. These problems are so real that one sees aspects of it on a daily basis. Here is a country, that is the European Union’s (EU) most important market in sub-Sahara Africa, after South Africa and producing more than 7 per cent of EU’s crude oil import (Osha 2006; as cited in Ogundiya, 2011), it is also the fourth largest supplier of crude oil to the United States (US)<sup>13</sup> yet, a vast majority of her population live on less than US\$1 a day- the standard economic measure of absolute poverty.

Corruption has been the bane of legitimate, democratic stability and socio-economic and political development in Nigeria since the country gained independence in 1960<sup>14</sup>. Nowhere in the world do we witness such a stupendous and open wastage of public resources by

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<sup>11</sup> See Ackerman (2007; p 14).

<sup>12</sup> See Ogundiya (2009; p 171)

<sup>13</sup> See Ogundiya (2011; p 58)

<sup>14</sup> See Ogundiya (2009; p 281)

government officials and politicians as is often witnessed in Nigeria. And nowhere also do we witness the open display of such ill-gotten wealth as in Nigeria where a vast majority of the people, have resigned to fate while praying to “God” to elevate them to a position of authority in whatever form so that, they too can steal from the so called “national cake” for the betterment of their families (both immediate and extended) and their friends.

The level of corruption in Nigeria can be better understood if we look at the problem purely from an institutionalized or systemic point of view rather than focusing so much on the actions and inactions of individual players within the society. This also allows us to see corruption as part of the bureaucratic system while hoping to avoid the false juxtaposition of corruption –good government since eradicating corruption does not necessarily guarantees good government.<sup>15</sup> While eradicating corruption is a necessary condition for good government, it is not a sufficient condition.

### **3.2 Corruption in Nigeria.**

The corrupt individual in Nigeria often bribe or influences his ways into corrupt institutions like the civil service, the Nigerian immigration services or the Nigerian Police where his gains from corruption can be better maximized. And where also, the corrupt institutions in which he finds himself can better protect him since he often has to pay a certain percentage of his proceeds from corruption to superior officers. For the political class, politicians in whatever level often have to get a political “godfather”<sup>16</sup> whom they must swear allegiance and loyalty to before they are endorsed to contest any political office. The political “godfathers” does everything possible including election rigging, intimidation, and even murder of political opponents to make sure their “political sons” are declared winners and allowed to occupy the public offices. The ‘political sons’ in turn, must create an environment while in office to enable their ‘political godfathers’ reap the financial dividend accruing from investing their time, efforts and financial resources to see to it that their ‘political sons’ occupy public offices. This is done by awarding contracts that are never executed for the construction of road, schools, or purchase of drugs for hospital to the ‘political godfathers’. Millions of naira may also be given in physical cash monthly depending on how lucrative such office is. This is a stamp of loyalty to the ‘godfathers’ and guarantees a re-election for their ‘godsons’ in the next election. This is so because in a corruption ridden society like Nigeria, the votes of the electorates do not count. The ‘political godfathers’ are easily able to buy off the electoral officials including law enforcement personnel to look the other way during elections thereby paving the way for election rigging and other forms of malpractices

### **3.3 Informal Institutions.**

In the case of Nigeria, while the formal institutions are weak, the same cannot be said of the informal institutions. The informal institutions are defined along the line of social capital with a strong emphasis on the norms of reciprocity. It is this idea of reciprocity that brings about the much talked about patron-client relationship which is a very sensitive issue among the

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<sup>15</sup> Hatti et al (2010; p 2)

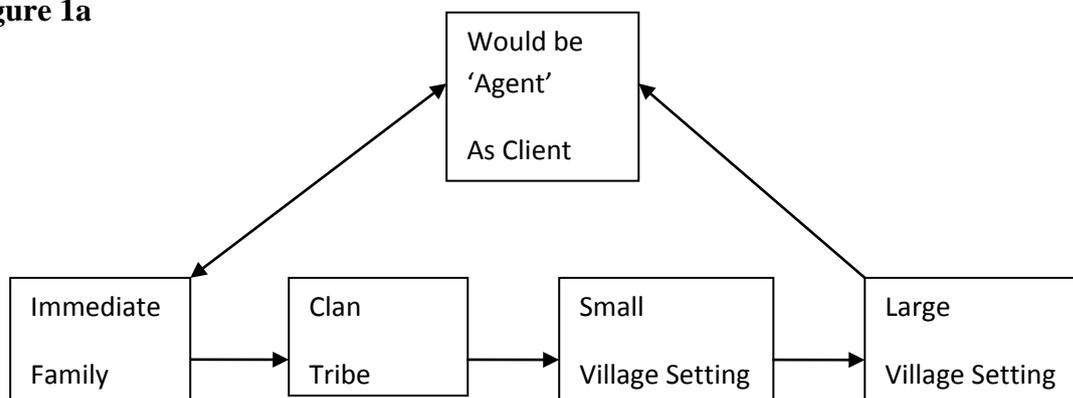
<sup>16</sup> Ibid (p 286)

Nigerian people<sup>17</sup>. The whole idea of the “culture of corruption”<sup>18</sup> actually stems from observation of this aspect of the Nigerian cultural heritage. It is correct to conclude therefore, as Smith (2007) and Olivier (1999)<sup>19</sup> did that every individual in Nigeria is either a patron or a client to another individual. The average Nigerian, in an attempt to escape the notorious cycle of poverty, which in the first place is largely caused by corruption and misappropriation of resources, finds himself becoming enveloped in the drag net of corruption and going ahead to justify his actions by hiding under the so called “man must survive”<sup>20</sup> slogan.

It is important to here point out that the informal institution in Nigeria emphasizes loyalty and trust within the family, clan or tribe as against loyalty to the State. Therefore an elected representative is expected and, in fact, required to use his position as much as possible to appropriate wealth for the good of the family, clan or tribe respectively. Obligation to the Nigerian state is secondary as compared to the primary obligations to the family, clan or tribe.

The tables below are used to illustrate how the Patron-Client relationship and the norms of reciprocity interact in encouraging corrupt practices in the case of Nigeria.

**Figure 1a**



In the above figure, the elective office seeker (politician) starts by convincing his immediate family on the benefits of supporting his political ambition. The immediate family, having given him the go ahead to run for the elective position, reaches out to the members of their clan who then mobilize the small village unit to support their son’s ambition. Promises are made by the prospecting candidate and his family. Based on these promises, the small village unit reaches out to the bigger village unit using their social network. We noticed that the would-be ‘agent’ is playing the role of a ‘client’ at this stage while all the others i.e. from the immediate family unit to the larger village setting are his patron. With the help and support of the larger village setting, he is able to get the required votes to become their representative in parliament and, thereby, a patron.

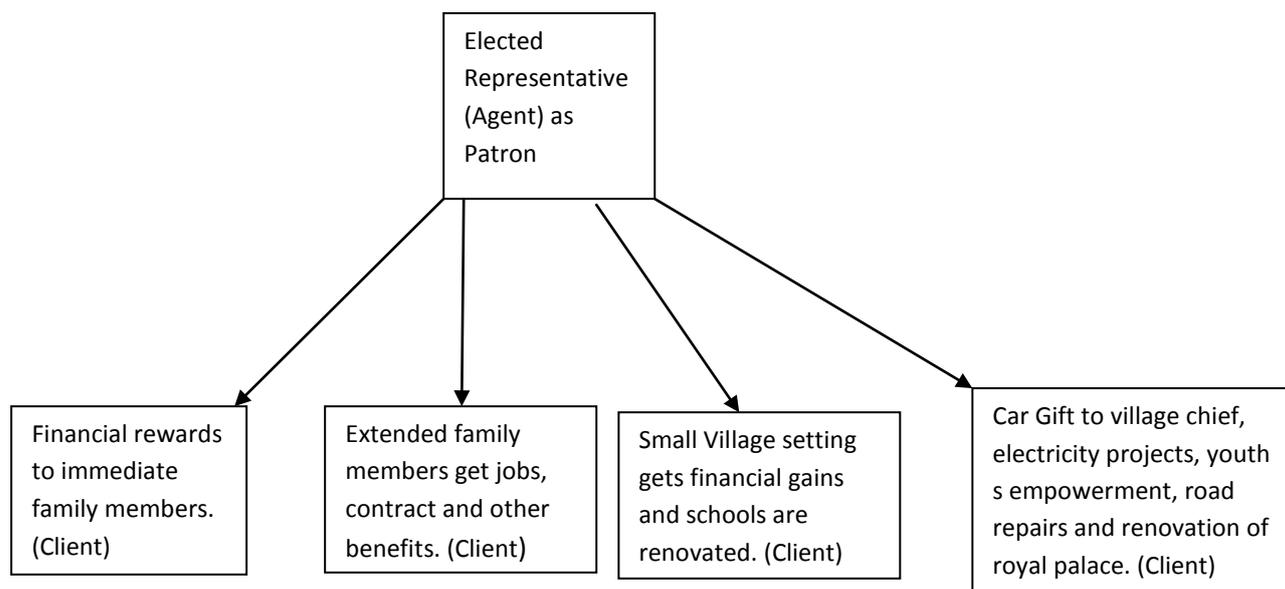
<sup>17</sup> Smith (2007; pp 12-13)

<sup>18</sup> ibid

<sup>19</sup> Olivier de Sardan (1 999; p 41) cf Smith (2007)

<sup>20</sup> This a term commonly used by the masses to justify their involvement in corrupt practices.

**Figure 1b**



In Figure 1b, the position of the ‘agent’ has changed. He is now playing the role of a patron while all the other units are his clients. We can clearly see the norm of reciprocity in action as promises made in the past must now be fulfilled. The new clients are not at all bothered about how or where their patron is going to get the resources to fulfill the pledges made to them before they voted him into power. However, the patron is guaranteed an ‘unflinching support’ should he get into trouble with government agencies while trying to fulfill his promises to them.

The tables illustrate the fact that the informal institutions play a vital role in encouraging corruption and corrupt practices in the case of Nigeria. As a matter of fact, it will be far better for the agent to loot the state treasury and get caught than to be honest while in office. This is because, if he is caught, he can always count on the support of his kinsmen and ethnic group than being honest and incur their wrath.

### 3.4 Formal Institutions

Economic institutions are largely said to be endogenous and are often brought about by collective choices<sup>21</sup>. They determine economic outcomes which include the growth rate of the economy and the distribution of economic resources to the various groups within the given country. It is also possible to determine the economic potentials of an economy in a situation where good economic institutional framework is in place. It therefore becomes easy with good institutional arrangement to determine which group in the society will be better favored in the distribution and control of resources both in the present and in the future. History has shown that a minority group within any given society normally has a controlling power over the wealth of the country<sup>22</sup>. This so-called minority group may be in the form of a monarchy,

<sup>21</sup> See Acemoglu et al (2004)

<sup>22</sup> ibid

a powerful tyrant or democratically elected representatives. Whether this minority group decides to distribute the wealth of the country to favor all within the society is another issue. This brings us to the question of secure property rights<sup>23</sup> which is a fundamental ingredient that must be present and protected if the minority group (which become powerful as a result of the fact that resources have been distributed by whatever means possible to its class) is serious about empowering the other members of the society. The enforcement of property rights which allows anyone to own or aspire to own property and to guarantee that such person has a sole right to his property including intellectual properties is a strong motivation which allows positive economic activities in a given society leading to a more viable market and also bringing about equality before the law as against arbitrariness which allows the powerful to seize properties belonging to the weak in a society.

The absence of strong economic institutions guaranteeing property rights, in the case of Nigeria is another strong factor encouraging corruption and corrupt practices. This is because, the economic welfare of the average Nigerian is not guaranteed even on a day to day basis. Public servants including the police, customs officials, teachers, etc are very poorly paid while political office holders allocate to themselves fat salaries with huge financial allowances to go with their offices to the detriment of the people. The absence of secure property rights coupled with the inability of the State to provide for both the present and future needs of the people means that an alternative means of survival has to be sought, thereby encouraging corruption. As mentioned earlier, the common man contributes to this by being a client to corrupt public office holders and bureaucrats.

The failure of the ruling elite in Nigeria to protect their income and fortune both in the immediate and in the future, also create a kind of fear of not knowing what might happen as soon as the office holder leaves office. His mentality is therefore to accumulate enough wealth while in office as a protection against an uncertain future.

Needless to say, political institutions are closely related to the economic institutions with the former driving the latter<sup>24</sup>. The importance of political institutions especially in the context of the Nigerian state cannot therefore be overemphasized. This is due largely to the numerous problems inherent in the system which ranges from ethnicity, religious, cultural and very importantly, control over the resources of the nation which is largely located in the minority areas of the country. The very fact that political institutions not only determine the form of government for any given country but also emphasizes the restraints to such government shows how important it is for a country to have a good political institutional arrangement in place. This brings us to the two components of political power which are referred to as *de jure* (institutional) and *de facto* political power.<sup>25</sup> The distinction between these two types of political powers is that while the former is a type of political power allocated by political institutions such as the constitution or electoral systems, the latter is one that is acquired through the ability to engage in collective actions, brute force or other channels such as

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<sup>23</sup> Acemoglu et al (2004)

<sup>24</sup> See Acemoglu et al ( May 2004)

<sup>25</sup> Ibid p. 6

lobbying or bribery<sup>26</sup>. The distinction becomes necessary against the backdrop of the fact that the net effect (sum total) of these two sources of power bring about equilibrium in economic institutions. This delicate equilibrium position in economic institutions can be maintained, even during a shock depending on the type of political power the ruling elites hold. In Nigeria for example, when politicians monopolizing de jure political power are suddenly sacked in a military coup, they mobilize their enormous resources and are easily able to influence policies in the supposedly de facto military government. They often resort to means like lobbying, bribing and at times brute force in the form of sponsoring a counter coup with the sole aim of ensuring the continuation of the previous set of economic institutions which they are very much used to and which enhances their resource base. A typical example of this is in the counter military coup of August 27<sup>th</sup> , 1985 which overthrew the military government of General Muhammadu Buhari and replaced him with General Ibrahim Babangida who turned out to be the most corrupt Military Head of State in the history of Nigeria<sup>27</sup> .

Another major factor encouraging corruption and also preventing the fight against it from being fought to a logical conclusion is the issue of ethnicity in Nigeria. Political office holders are very quick to appeal to ethnic sentiments whenever they are accused or arrested for corruption related offenses. It is not uncommon to see tribal solidarity groups demanding for the release of such political office holders. The issue at this point in time is not whether or not the accused politician is guilty, but that he is simply being prosecuted because he happens to come from a particular ethnic group. This has rendered the Nigerian state weak when it comes to national issues such as corruption. Therefore, the soft state thesis of Gunnar Myrdal becomes very applicable to the Nigerian situation. According to Myrdal,<sup>28</sup> “a soft state whether democratic or undemocratic is bedeviled with the inability to institute reforms or enforce social disciplines. It is a state where the legal system and its paraphernalia are moribund or at least ineffective. Even when framing policies, the authorities (under the control of political-bureaucratic elite) are reluctant to place obligations on the people, especially in matters of corruption.”<sup>29</sup> The fact remains that, the political-bureaucrats are actually protecting their own personal interests by deliberately keeping the state soft. For it is only a soft state, that will guarantee their protection and also allow them to accumulate so much wealth while in office. It is simply a matter of “fair play even among robbers.”<sup>30</sup> The weakness of the Nigerian state has led to situations where corrupt public office holders have gotten away with embezzlement of public fund because they either belong to a particular powerful ethnic group who can put pressure on the Federal Government to “release our son to us” or because they are on the “good book” of the President of Nigeria. The anti-corruption agencies therefore, are more often than not, instruments in the hands of the President to witch hunt his real or imagined political enemies.

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<sup>26</sup> Acemoglu & Robinson (May 2006)

<sup>27</sup> Ogundiya (2009)

<sup>28</sup> Ibid p. 286

<sup>29</sup> Myrdal (1968; p 101 cf Ogundiya 2009; 286)

<sup>30</sup> See Smith (2007)

### 3.5 Bureaucracy - A Weberian Overview.

According to Max Weber bureaucracy was the best way of going about public administration. For Weber, bureaucracy was actually division of labor applied to administration, and bureaucracy occupies the same important position in Weber's account of the development of modern civilization as division of labor in Adam Smith's account<sup>31</sup>. For just as Adam Smith was convinced that "division of labor" was the best way of bringing about not only efficiency in production, but also the maximization of output, so also was Max Weber convinced that bureaucracy was by far the most efficient method for the performance of complicated tasks of administration<sup>32</sup>. There are, however, those who did not agree with Weber's efficiency claim about bureaucracy in terms of organizational efficiency. To these category of people, "when Weber claimed that bureaucracy was the most efficient form of administration, his reference was not some absolute ideal, but forms of administration such as kinship networks or the rule of local notables.<sup>33</sup>" Nevertheless, this does not change the fact that Weber's works laid the foundation for the interpretation and conceptualization of the role of bureaucracy in the effective functioning of the government of any given society.

Bureaucracy in its proper usage connotes "the apparatus consisting of professionals, full time officials subject to hierarchical supervisor and carrying out their functions in a well ordered way based on rules, regulations and orders coming from above<sup>34</sup>". The whole idea of a modern bureaucracy therefore, is to replace the old patronage bureaucracies with merit based ones since the patronage bureaucracies were often characterized by absolute loyalty to the ruler (be it a monarchy, a dictator or a democratically elected government) and the abuse of public office for private gains. Patronage bureaucrats who are players in the bureaucratic system often show themselves to be more loyal to the ruler than to the state as it were and, therefore, become a willing tool in the state's network of corruption. It is in an effort to bring about a paradigm shift that the need for a new bureaucratic system after the order of the Weberian model becomes imperative. In this new bureaucracy, it was assumed that civil servants were professionals who were to be employed based on merit, with adequate incentives and at the same time punishment for erring officials. The issue of adequate incentive for civil servants was to be taken seriously since it is assumed that a civil servant was on a life-time employment.<sup>35</sup> Also, mechanisms were to be put in place to punish those who were likely to abuse public offices for private gains. The question is, has these measures succeeded in achieving the set objectives of reducing bureaucratic loyalty to the government in power instead of the state, and eradicating the use of public office for private gains with particular reference to Nigeria? The answer is an emphatic No! The bureaucracy in Nigeria is largely a patronage bureaucracy with the soft state nature of the Nigerian state helping to keep it that way. The fact that the employment of civil servants in Nigeria is not based on merit but rather on one's connection with politicians and government officials, the fact that civil servants are not adequately compensated (as suggested in the Weberian principle) and the fact

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<sup>31</sup> See Kilcullen John (1996)

<sup>32</sup> Lawal, G. & Tobi, A. (2006)

<sup>33</sup> See Das S.K. (2001; p 7)

<sup>34</sup> Lawal, G. & Tobi, A. (2006; p 644)

<sup>35</sup> Das S.K. (2001; p 2)

that erring officials are not punished all combine to give an impression of a pre-Weberian (era in the Nigerian) bureaucracy. It is therefore not surprising that the public bureaucracy in Nigeria with its patronage nature acts as a willing tool in collusion with the political elite to loot the treasury to the detriment of the generality of the people.

### **3.6 Bureaucratic Corruption in Nigeria.**

It is impossible to discuss political corruption in Nigeria without at the same time discussing bureaucratic corruption since the two are intertwined and none can exist in isolation without being oiled by the other. Bureaucratic corruption, in reality, reduces the risks for corrupt politicians by weakening the efficacy of controls which in turn, reduces the possibility of a corrupt act being discovered and perpetrators punished. This is because control mechanisms have been deliberately made less efficient in the system. It therefore serves as an incentive for corruption and corrupt practices to grow.

When bureaucrats begin to undermine the legal framework under which the bureaucratic system is based, we begin to see a deviation from the Weberian principle which ultimately leads to bureaucratic corruption. Bureaucratic corruption often occurs in the ‘public administrative or the implementation end of politics’.<sup>36</sup> It can categorically be classified as “Corruption by need”<sup>37</sup> This is often the kind of corruption that the average Nigerian encounters in his day to day activities, like when he visits the hospital and have to pay for an hospital card which is supposedly free or have to bribe the medical laboratory assistance so as not to undertake the compulsory HIV/Aids test which he is supposed to take before his pregnant wife can be attended to in the General hospital. He encounters this type of corruption when he is trying to get his child into a federal government college, in the local licensing offices, tax offices where he is required to offer bribe to some tax official with a view to reducing the amount of money he ought to pay as tax, with custom and immigration officials and of course with the men of the Nigerian police etc.

A close look at the above will reveal that the bureaucrats always readily have something to sell- be it in the form of favor, hospital cards, or government information. He is a unique seller with many buyers and therefore has the monopolistic power to manipulate prices in order to maximize his gains from corruption. While the extent of the market is a limiting factor to mass production which is a characteristic feature of division of labor, the limiting factor to the maximization of gains from corruption by the bureaucrat is the buyers leverage in threatening to ‘go public’ i.e. should the seller (corrupt official) prove to be too greedy<sup>38</sup>. The corrupt official is aware of this fact and in most cases is actually afraid of the implication of too much publicity since in the best case scenario, he might be forced to ‘go honest’ in which case both buyer and seller lose and in the worst case scenario, the official might be disciplined when pressure from the press and negative public opinion becomes too much for the government to curtail.

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<sup>36</sup> Dike Victor E. (June 2003)

<sup>37</sup> See Hatti et al (2010)

<sup>38</sup> Ibid p 9

Bureaucratic corruption as a concept, however, is more than just buying or selling of favors; it refers also to the violation of public duty by bureaucrats or public officials. A major factor encouraging bureaucratic corruption in Nigeria is that, contrary to the Weberian recommendation that bureaucrats should be adequately compensated for their work and also; duly punished for any act or action that is inimical to the principles governing the civil service, the reality on ground is that bureaucrats caught indulging in bribes, kickbacks or other form of corruption are rarely punished. In Nigeria, one often hear cases of corrupt civil servants been re-deployed to less juicy offices or at the worst case scenario demoted. An exception to this was the case of the former Inspector General of police- Tafa Balogun who was arrested in 2005 by the Economic and Financial Crimes Commission (EFCC) for fraud and jailed. It is pertinent to note however, that while the former Nigerian police boss who stole over 17 billion naira (about US\$120 Million) was jailed for six months<sup>39</sup>, an eighteen year old man- Samson Atayero was sentenced to three months in prison by an Osogbo Magistrate Court for stealing clothes and sandals valued at 5 thousand naira (US\$34).<sup>40</sup> Thus, while the returns are high from corruption the yield of non-corruption is very low.

We can therefore make the assertion that the corrupt bureaucrat is an intelligent and rational being who is out to look after his personal interests by maximizing payoffs and as much as possible, avoiding losses and risks. By working as an employee of the state, the corrupt bureaucrat is thus able to hide under the protection provided by weak institutional arrangement to maximize payoffs and as much as possible avoid losses both in the present and in the future. These losses not only include financial losses but also the high risk of being arrested and sent to prison. The corrupt bureaucrat in the case of Nigeria as in most other cases elsewhere is therefore a prime example of “homo economicus”<sup>41</sup>

### **3.7 The State, Bureaucracy and Corruption**

The complex nature of the Nigerian state with its federal system of government makes it imperative to have a strong and well trained public bureaucracy to handle the equally complex business of government. Thus the public bureaucracy in Nigeria is involved with all the business activities of government-from public policy formulation to policy implementation. This involvement of the bureaucrats in virtually every aspect of governmental business is actually with a view to strengthening the bureaucratic institution and positioning it in a proper context to serve the interests of the public more effectively even though such involvement sometimes lead to undue ‘interference’ and delays in policy implementation. Krygier<sup>42</sup> observes that “bureaucracy is a form of government by officials, characterized by tendency to meddle and exceed its proper function”. While one may readily agree with Krygier that bureaucracy has a tendency to exceed its proper function, the idea of meddling in governmental business is hard to swallow as the main idea behind bureaucracy in the first place is the strengthening of government business with a view to bring about good governance. Public bureaucracy is to be made up of honest, well trained professionals with a

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<sup>39</sup> See Ogundiya (2006)

<sup>40</sup> See Odesola (2008; cf Ogundiya 2009)

<sup>41</sup> See Hatti et al (2010; p 7)

<sup>42</sup> See Krygier (1987; p 1)

view to helping bring the dividend of good government to the people. The reality however, is that the honesty and efficiency or otherwise as the case may be; of public bureaucracy, is a function of the environment in which they operate. Thus, one may conclude, that the relationship between public bureaucracy efficiency and honesty on the one hand and the government in any given country on the other hand is a direct relationship. This means that a good government brings about an efficient and honest bureaucracy after the order of the equally “good” government while a bad government will necessarily bring about an inefficient and dishonest bureaucracy after the order also of the equally “bad” government.

The public bureaucracy in Nigeria can be said to be corrupt and inefficient due largely to the corrupt nature of the environment under which it operates. The state as it were is characterized by lack of strict adherence to the norms, ethics and rules governing the conduct of public officials. The bureaucrats are therefore handicapped and often resort to corruption and indeed become an integral part of the corrupt system due to lack of any serious check and balance measures in place. Nigeria becomes the worst for it as resources that ought to be used to solve the problems of poverty, diseases, and hunger to mention but a few are siphoned into private pockets by politicians and their collaborators in the Public bureaucracy.

The problem of the public bureaucracy in Nigeria is further compounded by the fact that Heads of the respective ministries and parastatals are directly appointed by the President of the Federal Republic of Nigeria at the federal levels while the State Governors of the respective states appoint commissioners to head state parastatals. The implication of this is that loyalty must be total to the Head of Government both at the federal level and at the state level. Any attempt therefore, to understand the *kleptocratic* relationship between the Nigerian state and the public bureaucracy must, of necessity, focus on the relationship that exists between the Heads of Government both at the Federal level and at the state levels and the bureaucracies at both levels. The corrupt Nigerian leaders are often more comfortable having bureaucrats who are equally corrupt as Heads of government ministries than having honest professionals who are likely to pose a threat to their ambition of amassing wealth. This leads us naturally to the next issue which is, to examine the trend and magnitude of corruption in Nigeria from 1960 to 2007.

## CHAPTER IV

### TREND AND MAGNITUDE OF CORRUPTION IN NIGERIA 1960 -2007.

#### 4.1 Introduction

In our quest to look at corruption in Nigeria, it is important that we go back to when it all started; in the sixties, after Nigeria gained independence from British colonial rule. This is with a view to see the trend from then up till 2007. It will also allow us look at the magnitude of corruption from one regime to another so as to make an objective comparison between regimes. Therefore, the study shall begin with the era of the first republic under Sir Abubakar Tafawa Balewa in the sixties up to the third republic under retired General Olusegun Obasanjo in 2007.

Nigeria gained Independence from British colonial rule on October 1<sup>st</sup>, 1960 with Sir Abubakar Tafawa Balewa; a northerner, becoming the Prime Minister<sup>43</sup> under a constitution that provided for a parliamentary system of government and a substantial measure of regional government for the three regions of Nigeria-eastern region, western region and the northern region respectively. On October 1<sup>st</sup> 1963, Nigeria became a republic by proclaiming itself the Federal Republic of Nigeria with the former Governor General in person of Dr. Nnamdi Azikiwe becoming Nigeria's first President while Sir Tafawa Balewa remained the Prime Minister. Nigeria however remained in the Commonwealth of Nations.<sup>44</sup> This era is popularly referred to as the "First Republic" and it lasted until January 15<sup>th</sup> 1966 when it was sacked in a bloody military *coup d'état*.<sup>45</sup> Quite a number of factors can be said to have led to the first ever Military *coup d'état* in Nigeria (see Isichei Elizabeth (1983), Olawale J.B (1980), William D.Graf (1988), Major Abubakar A. Atofarari (1992), and Ademoyega Adewale (1981). Suffice to say that corruption, election rigging, nepotism, and emphasis on ethnicity as against unity were some of the reasons adduced by the coup plotters as necessitating the military take over of power.

On January 16<sup>th</sup> 1966, the Federal Military Government was formed with General Johnson Aguiyi Ironsi as Head of State and Supreme Commander of the Nigerian Armed Forces. It must be stressed for record purpose, that General Aguiyi Ironsi was never a part of the original coup plotters who attempted to seize power on 15<sup>th</sup> January 1966. It was the failure of

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<sup>43</sup> See Isichei Elizabeth (1983 p. 410)

<sup>44</sup> See Olawale J.B ( 1980 p. 114)

<sup>45</sup> See Ademoyega Adewale ( 1981)

the *coup*, coupled with the fact that he was the most senior military officer in the Nigeria Army as at that time that automatically made him the first in line to assume authority.<sup>46</sup>

On July 29<sup>th</sup> 1966, a counter *coup d'état* by military officers mostly from the northern part of Nigeria led to the assassination of General Ironsi and established Major General Yakubu Gowon as Head of State<sup>47</sup>.

It is important to note that the coup plotters of January 15<sup>th</sup> 1966 did not specifically mention corruption as one of the major reasons for staging the coup that sacked the first republic, for if anything, it was only mentioned in passing as the issues of nepotism, dividing the country along ethnic lines and election violence were seen to be far worst than political and bureaucratic corruption which was then at a very low level. The counter coup d'état of July 29<sup>th</sup> 1966 was merely a case of retaliation by the northern elements in the Nigerian Army against their counterparts from the South for the January coup which led to the death of many prominent northern politicians like Sir Abubakar Tafawa Balewa-the then Prime Minister of Nigeria, the sultan of Sokoto-Sir Ahmadu Bello and a list of other prominent northerners. As mentioned earlier, the issue of political and bureaucratic corruption was not specifically named as being among the leading reasons for the coup of January 1966 or for the counter coup of July 1966. And then enters Major General Yakubu Gowon as Head of State.

#### **4.2 Gowon and Corruption: (1966 to 1975)**

After the Nigerian Civil war which lasted from 1967 to 1970 with an estimated one million deaths,<sup>48</sup> General Gowon turned to the task of economic development. With Crude oil replacing palm oil, the Country's foreign exchange earnings and government revenue increased astronomically, particularly with the oil price rises of 1973 -1974. With massive oil wealth, came corruption which Gowon failed to address. On Gowon's administration, the Nigerian Tribune of August 1<sup>st</sup> 1975 has this to say inter alia:

Gowon's regime was unashamedly corrupt to the Macro. Everyone knew it. They did not hide it from public gaze. His pledge to enact an anti-corruption decree like other promises was never fulfilled. And when an attempt was made to expose these evils, he suppressed the attempts with the very weight of his high office<sup>49</sup>.

On July 29<sup>th</sup> 1975, Major General Murtala Mohammed and a group of Military officers staged a bloodless military *coup d'état* that toppled General Gowon from power. For the very first time, a regime was openly accused of corruption and mismanagement and delaying the return of power to civil authority<sup>50</sup>.

#### **4.3 General Murtala Mohammed: The Reformist (1975 to 1976)**

The level of corruption during General Gowon's regime was made public for the whole world to see after General Murtala Mohammed set up the Assets Investigation panel to probe the

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<sup>46</sup> ibid

<sup>47</sup> [www.nigeriaat50.gov.ng/history-of-nigeria](http://www.nigeriaat50.gov.ng/history-of-nigeria)

<sup>48</sup> See John de St. Jorre (1972)

<sup>49</sup> Cited from Lawal, G. & Tobi, A. (2006)

<sup>50</sup> See [www.nigeriaat50.gov.ng/history-of-nigeria](http://www.nigeriaat50.gov.ng/history-of-nigeria)

financial activities of the twelve Governors of the then existing twelve states of the Federal Republic of Nigeria under General Gowon's nine year rule.

Of the twelve Governors, ten of them were indicted by the probe panel, a situation which resulted in the seizure of the assets of the affected governors. The total value of assets confiscated from the ten governors was put at over 10 million naira in 1976<sup>51</sup> at a time when the exchange rate was officially about 0.62 naira to \$1US. The panel also established that the public bureaucracy was a willing collaborator in the massive corruption that characterized the era. This brought about the great purge of the public service which led to the dismissal or retirement of well over ten thousand public servants nationwide. It was a move that brought about a great deal of sanity to governance and the public bureaucracy with the former, under the leadership of General Mohammed, leading the "zero tolerance" campaign against corruption and corrupt practices.

#### **4.4 President Shehu Shagari-Corruption Incorporated (1979 to 1983).**

One would have expected that the level of sanity that was initiated and maintained by General Mohammed would naturally be carried over to the next civilian administration led by Alhaji Shehu Shagari (1979 to 1983) during the second republic. This was not to be as the Alhaji Shagari's administration became famous for gross abuse of power by virtually all public officials, be it career or political officeholders. It was as if the politicians were in a race to siphon as much as possible public wealth for private gains. It was also an era, which saw both the career public servants and politicians becoming "contractors" (and business men and women) over night. Little wonder that Bangura (1986:31) described the Shagari's administration as "the government of the contractors, by the contractors and for the contractors."<sup>52</sup> The second Republic was an era when public ethics and morals had no meaning for politicians and their cohorts in the public bureaucracy. Maduagwu (1995) while commenting on the era has this to say "ministers, governors, party officials, supporters of all the political parties, business associates, all rallied round to share the booty. Shagari's NPN ruling party, having more access to the natural resources, excelled of course in the rape of public wealth. But the other four political parties were also involved in the scramble for the national cake. The parties made sure that in the states where they were in charge public fund were diverted to the parties and private accounts as subsequently revealed by panels of enquiries after the overthrow of the politicians."<sup>53</sup>

#### **4.5 General Buhari and the War against Indiscipline-1983 to 1985.**

The level of corruption, mismanagement and misappropriation of public fund reached such height that when on 31<sup>st</sup> December 1983, Major General Muhammadu Buhari and a group of Military officers seized power; they were readily accepted by the Nigerian people who had become sick and tired of civilian mis-rule. A probe panel was quickly set up by the military administration and many government officials and former governors were found guilty of diversion of public funds and corruption. It was revealed by the panel that several millions of naira had been transferred abroad; millions of naira was squandered while several million

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<sup>51</sup> cf Lawal, G. & Tobi, A. (2006)

<sup>52</sup> Cited from Ogundiya (2009; p 287)

<sup>53</sup> Cited from Lawal, G. & Tobi, A (2009; p 646)

more were unaccounted for. The Paul Omu led Tribunal found most of the politicians guilty and sentenced them to various jail terms. A detailed account of the looting and all manner of corruption that took place during the second republic with Shagari as President can be found on the federal government of Nigeria white papers on the report of Justices Sampson Uwaifo and Mohammed Bello Review Panel (1986).

The military government of General Buhari once again brought sanity back to the polity and succeeded in restoring a sense of dignity in the public bureaucracy. The war against indiscipline (WAI) was used as a method to install discipline into the polity with the assumption that a disciplined society will normally produce a disciplined political class and public servants. It succeeded a great deal as an instrument of waging war against corruption. This era can undoubtedly be classified as ‘Nigerian’s finest hour’. The country’s economy that had been battered by Alhaji Shagari’s years of misrule was on the way to recovery when tragedy struck.

#### **4.6 General Babangida: The Locust Years (1985 to 1993).**

The eight years that General Babangida ruled Nigeria as President is popularly referred as the “locust years”. For no apparent reason except for the protection of personal and a microscopic group interests, General Babangida, seizing opportunity of a brief lax in security toppled the General Buhari led government in a bloodless coup on August 27<sup>th</sup> 1985. From the beginning, Babangida; who is popularly referred to as “evil genius,” never showed any interest in fighting corruption. Politicians who were sentenced to various jail terms by his predecessor – General Buhari for corrupt practices were quickly released from prison and their properties which were forfeited to the state restored to them. This was cleverly carried out under the Forfeiture of Assets (Release of certain Forfeited Properties etc) Decree No. 24 and 50 of 1993.

The News Magazine of December 20, 1993 as cited by Maduagwu listed some of the most corrupt practices of General Babangida as including<sup>54</sup>:

- (1) \$2billion Gulf war oil windfall in 1991 which cannot be accounted for till today.
- (2) 400million naira wasted on the Better Life Project-a project which was the brainchild of General Babangida’s wife-Mariam Babangida.
- (3) \$200 million siphoned from the Aluminum Project
- (4) 30% of oil revenue diverted to frivolous uses during his tenure
- (5) Colossal corruption in the Nigerian National Petroleum Corporation (NNPC) which included \$101 million used for the purchase of strategic storage facilitation
- (6) Huge extra-budgetary spending amounting to 15.3billion naira in 1989, 23.4billion naira in 1990 fiscal year, 35billion naira in 1991, 44.2billion naira in 1992 and 59billion naira by August of 1993.

When it was becoming obvious and very clear to the Nigerian people that General Babangida’s regime was leading the country on a path of economic destruction, the people resisted by staging riots, civil disobedience and even military *coup d’état* to force the

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<sup>54</sup> See Maduagwu M.O (1995)

General to conduct a general election and hand over power to a democratically elected government. Babangida fought back by making extensive pay-offs to various groups of people and organizations in the civil society while also giving cash, car gifts and the rest to military officers and men of the Armed Forces to secure their loyalty. The following bodies and associations amongst others were some of the beneficiaries of the largesse of Babangida's prodigality<sup>55</sup>:

- (1) Ecumenical Cathedral, Abuja -50 million naira
- (2) Obafemi Awolowo Foundation-30 million naira
- (3) Performing Musicians Association of Nigeria-20 million naira
- (4) Zik Hall, Zungeru-40 million naira
- (5) Arewa House, Kaduna-35 million naira
- (6) Yakubu Gowon Centre -30 million naira
- (7) Nigeria Union of Journalists National Secretariat, Abuja-30 million Naira
- (8) Nigeria Labour Congress Secretariat Building Fund-50 million Naira

NOTE: The exchange rate of the Nigerian naira to the US dollars was less than 20 Naira to US\$1 even as at 1993 when Babangida was eventually forced out of office.

By 1993, Babangida's popularity was at the lowest ebb as a lot of people including those who had previously benefitted from the massive looting of the treasury became concerned about the image of the country before the international community. Nigeria was now being referred to as the most corrupt country in the world. When the June 12 1993 Presidential election, which was adjudged as the freest and the best election in Nigeria to date was annulled by Babangida's government, the people could take no more and consequently, his government collapsed paving the way for a hurriedly assembled "interim National Government."

#### **4.7 General Sani Abacha: Kleptomania (1993 to 1998).**

In the case of Nigeria, one can safely say that the most illegitimate and reckless regime since independence in 1960 to date was that of General Sani Abacha. The regime not only sacked the interim National Government put in place following the infamous "stepping aside" of Babangida, it continued as did his predecessor in the systematic looting of the nation's treasury. Despite the fact that he promised to fight corruption and actually started on a positive note by constituting the Failed Bank Tribunal and inaugurating the War Against Indiscipline and Corruption (WAIC), it soon became obvious that Abacha himself epitomized corruption.

After his death in office on 8 June 1998, revelations upon revelations about how the Army General looted the nation were made public. Thereafter, the Federal Government went on the offensive and recovered the following from the family of the late Army General<sup>56</sup>:

- (1) In the federal capital territory alone, the Abacha family was asked to forfeit six ultra-modern buildings worth millions of naira.

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<sup>55</sup> See Committee for Defense of Human Rights (1992:35) cf Ogundiya (2009; p 288)

<sup>56</sup> See Ogundiya (2009; p 288)

- (2) The family was asked to return the sum of \$625,263,187.19 to the state.
- (3) Over 75million British pounds and another 100million naira returned to the state.
- (4) 250million naira recovered from Mohammed Abacha-the son of the late General.
- (5) 96.9million naira was also forfeited by another son of the General-Abdulkadir Abacha.

Since Abacha was aware from the onset that his government was unacceptable to the people of Nigeria who were by then tired of military dictatorship, with its lies and deceit; he therefore promoted corrupt practices with a view to holding on to power even at the prospect of a civil war. Pay offs and rewards to loyalists of the regime became the norm rather the exception. A few of those who benefitted from his largesse are:

- (1) Chief Anthony Ani who got a gift of DM30 million and US \$3 million
- (2) Alhaji Bashir Dalhatu who got US \$5 million which was held in a London Account.
- (3) Alhaji Abdulazeez Arisekola Alao who also got 100 million naira for his loyalty.

Little wonder that the people took to the street in jubilation on learning of the death of General Abacha on 8 June 1998.

#### **4.8 General Abdulsalam Abubakar: The Clever Thief (1998-1999).**

General Abdulsalam Abubakar took over power immediately after the death of Abacha in office. True to his words, he hurriedly conducted an election and handed over power to a democratically elected government but, not without depleting the country's foreign reserve from \$7.6billion (left by Abacha) to \$3.8billion by May 1999 when the civilian government was ushered in<sup>57</sup>. The Justice Christopher Kolade's panel of enquiry which was set up to beam it search light on the contracts, appointments and licenses issued during the Abdulsalam regime noted in its final report that 4072 contracts, 807 appointments, 576 licenses, 768 awards and 111 approvals were made within a short period of five months. The panel particularly noted that the said 4072 contracts which were originally earmarked to cost Nigeria 88billion naira eventually cost 635.62billion naira which means the cost of the contracts were fraudulently increase by about 551billion naira.<sup>58</sup>

Abdulsalam is called a "clever thief" because he hurriedly organized an election and handed over power to retired General Olusegun Obasanjo in what is generally referred to as the "Third Republic". He was consequently hailed as a hero for handing over power to a "democratically elected government" by the international community while overlooking the predatory looting of State treasury ever recorded within such a short period of time in all of Africa.

#### **4.9 Olusegun Obasanjo: King of Thieves (1999 -2007).**

Retired General Olusegun Obasanjo was military Head of State of Nigeria, from 1976 to 1979 after the assassination of General Murtala Mohammed, in an unsuccessful military coup d'état on 13<sup>th</sup> February, 1976. It was Obasanjo who handed over power to President Shagari of the second republic in 1979. His credentials as a past military Head of State who handed over power to a civilian government coupled with the many international duties on behalf of the United Nations made him one of the most qualified

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<sup>57</sup> See The News Magazine of 30<sup>th</sup> April 2000.

<sup>58</sup> *ibid*

Nigerians to run for the office of the President of the federal republic of Nigeria. It was therefore, not surprising when he emerged as the President elect on May 29<sup>th</sup> 1999.

From when he became President on May 29<sup>th</sup> 1999, Obasanjo made it known that he was out to fight corruption among public office holders and the public bureaucracy. He thereafter, established two anti-graft commissions: the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC). He also signed into law a number of anticorruption bills. While it is true that Obasanjo established these anticorruption bodies, what happened later created doubts in the minds of the people as to whether he was sincere in creating those bodies or whether he did it as a means of fighting his real or imagined political enemies.<sup>59</sup>

Below is a score-card of corruption among some top government officials during the Obasanjo's regime:

- (1) Senate Committee pronounced former Vice President Atiku Abubakar under Obasanjo's government guilty for diverting US \$145million Petroleum Technology Development Fund.
- (2) Senator Chuba Okadigbo (impeached former Senate President) was discovered by the Senator Idris Kuta led panel that investigated the allegation of corrupt practices against him to have inflated the street light projects to the tune of 173million naira, authorized the payment of 37.2million naira to furnish the Senate President's residence, an amount well above the approved 25million naira. He was also found to have inflated the amount spent in installing a 100KVA generating set at the residence of the Senate President to 15 million naira.
- (3) Senator Adolphus Wabara (impeached former Senate President of Nigeria) was found guilty of receiving bribe of 55million naira from Professor Osuji (former education minister) to inflate the budgetary allocation to the education ministry.
- (4) Senator Chimaroke Nnamani also faced about 124 count charges of fraud, conspiracy, concealment and money laundering totaling about 5.4billion naira<sup>60</sup>.
- (5) Madam Patricia Etteh, the first female Speaker of the House of Representative, was forced to resign after her indictment over the misappropriation of public funds in multiple contracts to the tune of 628million naira (US\$5million) for the renovation of her official residence and also the purchase of twelve official cars.
- (6) The US\$180million Halliburton scam involving top government official both in the United States of America and in Nigeria.
- (7) Auditor General of the Federation (2003) report which revealed financial irregularities, raised alarm on issues such as: over-invoicing, scam and colossal waste of public resources in the 2001 Federation Account.<sup>61</sup>
- (8) Virtually all the State Governors of the thirty Six (36) States of Nigeria during Obasanjo's eight years as President with the exception of one or two were said to be corrupt by the EFCC and a few were actually indicted while still in office for looting the treasury.

Obasanjo himself doubled as both the President of Nigeria and the petroleum minister, a position which allowed him to perpetuate a lot of financial atrocities in the petroleum industry to the detriment of Nigeria.

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<sup>59</sup> See Sunday Tribune, of 14 November 2010

<sup>60</sup> See Vanguard of Saturday Feb. 16, 2008 cf Ogundiya (2009)

<sup>61</sup> See Jubrin (2003:8 cf Ogundiya 2009; p 289)

We cannot forget that Obasanjo raised 7 billion naira to build the Obasanjo Library in his home town by mandating Federal Government establishments like Port Authorities, Maritime Authorities and big government contractors and businessmen to contribute money for the project<sup>62</sup>.

Nor can we forget also that billions of naira was spent on electricity generating projects without increased electricity power supply and the billions of naira remained unaccounted for.

Since corruption has no serious legal, moral or political cost in Nigeria, many of the corrupt officials are never prosecuted in the court of law. The few that got prosecuted were actually the ones who had some personal quarrel with President Obasanjo. On this list are those who openly opposed his “third term bid” ambition of wanting to amend the Nigerian Constitution to give him an opportunity to run for the office of the President of Nigeria for a third time as against the constitutionally allowed two terms.

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<sup>62</sup> See Tribune of Sunday, 14 November 2010.

## CHAPTER V

### CAUSES AND CONSEQUENCES OF CORRUPTION: THE CASE OF NIGERIA.

Corruption is not peculiar to any people, race, culture or country. This is particularly so since no one single country can claim to be totally free from corruption in some form. For, while a country like Sweden which was considered as one of the most corrupt countries in Europe in the seventeenth and eighteenth centuries was able to identify those factors nurturing corruption and then put measures in place to tackle it, resulting in the emergence of an honest and corruption 'free' society beginning from the late nineteenth century,<sup>63</sup> a lot of the countries which are today classified among the most corrupt nations of the world are really not doing enough to tackle corruption. Nigeria is one such country where it is generally agreed that corruption is a major problem on the one hand but not too many people are keen about tackling the problem on the other hand. The country today faces a serious crisis in its economic, social and political development due largely to problems that can easily be traced to pandemic corruption.

Some of the causes of corruption in Nigeria are listed below:

#### 5.1 Causes of Corruption.

- (1) **Federal Structure and Decentralization:** The brand of federal system of government in place in Nigeria is tailored in such a way as to make the government at the central very powerful compared to the governments of the federating units. It is such that all the instruments of coercive force (the Army, the Police, the Naval and the Air-force) are the exclusive prerogative of the federal government. Though political power is shared between the federal, state and local governments, the two other levels of government are often made impotent when compared to the so-called "federal might." This is a characteristic feature of the federal government of Nigeria. Also, the main source of revenue for Nigeria which is crude oil is controlled by the federal government. It then assumes the role of a "patron" while the thirty six states making up the federation of Nigeria, must assume the role of the "client". Monthly allocations are disbursed to each state and local government according to the agreed sharing formula with the federal government retaining the lion share. Corruption therefore is usually more serious at the federal level compared to the state and local government levels in Nigeria. This is contrary to the assumption made in the study carried out by Rose-Ackerman that local governments tend to be more corrupt compared to the federal government.<sup>64</sup> The fact that corruption is of a more serious proportion at the federal level does not in any way exonerate the state and local governments from corruption and corrupt practices as these arms of government are equally very corrupt as can be seen in the case of Nigeria. The argument

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<sup>63</sup> See Lindbeck, 1975 cf. Svensson (2005; p 32)

<sup>64</sup> See Rose-Ackerman (2007; p 149)

here is that while the President, Vice President and federal ministers in Nigeria can easily steal millions of dollars (see Trend and Magnitude of Corruption above), the governor of a state or a local government chairman has less money available to steal. Also, the fact that the state and local governments are closer to the people also acts as a check in preventing colossal looting of the treasury. The same cannot be said of the federal government which is somehow separated from the people due to the decentralization of power among the three tiers of government. This is therefore a strong motivation for corruption of an unimaginable proportion at the federal level.

- (2) **Poor Quality of Institutions:** It is virtually impossible to point to one single institution in Nigeria that is not corrupt. The judiciary is often the most bastardized as the President appoints the Attorney General of the federation, who is always ready to subvert Justice in favor of the President if the need arises. Also the Judges of the Supreme Court (the highest court in Nigeria), are appointed by the President with the Senate merely endorsing the names of nominees. There is always the tendency for the Judges to be biased in favor of the President in all matters as their tenure in office is almost certainly dependant on the whims and caprices of the government in power. Corruption therefore assumes an upward trend when the judiciary is used by the government to subvert justice. There are a number of cases in Nigeria where the government had influenced the judiciary to pass judgments favorable to the government if an unfavorable decision is likely to embarrass such government. This is in complete agreement with the findings by Voigh, Feld and Van Aaken (2004),<sup>65</sup> who investigated the impact of prosecutorial independence on corruption and came up with the findings that de facto dependence (forced retirement, frequent changes in legal foundations, decreased income and budget of prosecutors) increases corruption. All the other institutions, like the political institutions (with political violence, election rigging, political god-fatherism etc), economic institutions (which are often manipulated with a view to allow politicians and bureaucrats appropriate resources for personal gains) and the informal institutions with strong emphasis on loyalty and reciprocity all combine in encouraging corruption and corrupt practices. It therefore becomes quite easy to manipulate these institutions for personal gains.
- (3) **Poor Remuneration:** The public sector salary in Nigeria can be said to be among the poorest in the world. This is particularly more embarrassing when viewed against the backdrop of the fact that Nigeria is an oil producing country. Most civil servants in Nigeria will readily say that “their take home salaries do not take them even to the nearest bus stop from their offices”. They then have to look for other means of getting extra income which results in corruption often by need. This is also in agreement with the study by Van Rijckeghem and Weder (2001),<sup>66</sup> which argued that low salaries force public servants to supplement their income illicitly while high salaries are a premium that is lost if a public servant is caught and fired.
- (4) **Political Culture:** The political culture of politicians in Nigeria is a great impetus for corruption. This culture revolves round the “win at all cost syndromes”. Former President Obasanjo openly boasted during the electioneering campaign for the 2003 general election that the election was a ‘do or die’ affair. This statement served as a marching order for politicians, mostly of the People’s Democratic Party (PDP)-the President’s political party to engage in all manners of election

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<sup>65</sup> See Lambsdorff (2006)

<sup>66</sup> Ibid

malpractices and cheating. Also, the presence of “political godfather” who acts as a sponsor with the agreement that on assumption of office, the politician will make the largesse of office readily accessible to the political godfather is another strong factor encouraging corruption.

- (5) **Cultural Determinants:** The traditional values in Nigeria as in most other African countries allow gift giving to the king, parents, friends and even the boss in an office. Directly or indirectly, knowingly or unknowingly, the gift giver expects some kind of reciprocity in the form of protection as in the case of the king, promotion by the boss in the office and love from the parents. These easily serve as oil in the wheel of corruption since there is a give and expect to be given relationship. This attitude is carried over by politicians and bureaucrats in their public lives, making it virtually impossible for them to differentiate between public and personal responsibilities. This agrees with the study by Lipset and Lenz (2000:120).<sup>67</sup>
- (6) **Liberal Legal Consequences for Corruption:** The legal consequence of corruption in Nigeria is laughable compared to the crime itself (see the case of the former IG of Police Tafa Balogun and the poor 18 year old Samson Atayero mentioned earlier as a case study). Little wonder then that Klitgaard (1991:90) has this to say “It is reasonable to posit that an official undertakes a corrupt action when in his judgments, its likely benefits outweigh its likely costs.”<sup>68</sup>
- (7) **Other explanatory factors include:** Tribalism and nepotism in the administration of justice, inadequate accountability mechanism to act as a check, extended family pressure, monopoly of the economic by the government, inefficient and non-transparent contract award system and lack of social security for bureaucrats, political office holders and the citizenry in general.

### 5.3 Consequences of Corruption:

The consequences of corruption in Nigeria can be better imagined when viewed against the fact that the country is today the 26<sup>th</sup> poorest nation in the world<sup>69</sup> despite the fact that she is endowed with huge human and natural resources. The consequences or effects of corruption for the sake of this study can be viewed from three angles: political, economic and social angles.

- (1) **Political Consequences of Corruption:** Corruption in Nigeria is a major factor leading to political instability. This can be seen from the fact that virtually all the military take-over of power that have been witnessed in Nigeria with the exemption of perhaps one was as a result of corruption. The military often claim to be taking over power in order to save Nigeria from endemic corruption, even though they too often become victims of the same corruption leading to further military *coup d'état*. Also, the inefficiency in the public service can be traced directly to corruption which erodes the norms and principles of the civil service and replaces it with ethics which are inimical to the dictates of the public service code of conduct. Gupta, Davoodi and Tiongson (2001) were able to show that countries with high levels of corruption are associated with inefficient government services and a low quality of public health care provision<sup>70</sup>. Mauro (1998), Gupta, de Mello and Sharan (2000) showed in their respective studies that corruption is significantly associated with higher military spending or higher arms procurement (as share of either GDP or total government

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<sup>67</sup> ibid

<sup>68</sup> Cf Ogundiyi (2009 ; p 287)

<sup>69</sup> Dike ( June 2003)

<sup>70</sup> Cf. Lambsdorff (2006)

spending)<sup>71</sup>. The reason being that a lot of money can very easily be misappropriated during purchase of say, military equipment as against putting the money in public health services.

- (2) **Economic Consequences of Corruption:** The economic impact of corruption on the Nigerian economy has a direct impact on the masses that are often at the receiving end. Mauro (1995) carried out a study to show that corruption impact negatively on the ratio of investment to GDP<sup>72</sup>. This finding was also reinforced by Brunetti, Kisunko and Weder (1998:369). See again Mauro (1997) and Brunetti and Weder (1998).<sup>73</sup> The level of Foreign Direct Investment (FDI) is also greatly affected by corruption as was shown by Wei (2000) and Wei and Wu (2001) see also Habib and Zurawicki (2001:2002).<sup>74</sup>

The low level of FDI coupled with capital flight as a result of corruption has led to mass unemployment for the teeming population and this had further heated up the polity. Crime rate has also increased with cases of armed robberies and other vices on the raise. The economic impact of corruption in Nigeria can also be felt in the area of capacity building since the government often prefers to invest in white elephant projects like purchase of military equipment, building football stadia which cost millions of dollars, hosting international events etc as against investing in education and primary health care services. The main reason for this is that it is often easier to embezzle funds budgeted for such huge projects than say funds for education or health care.

In Nigeria, contract for projects such as road construction, electricity generating projects etc are often awarded to politicians and party faithful but are never executed or at best, very poorly executed. The resultant effect is Nigeria's inability to generate electricity for up to five hours in a normal day plus very bad road leading to lost of lives on a daily basis.

- (3) **Social Angle:** Perhaps the most well known effect of corruption in Nigeria today is that it has indirectly led to the creation of the so called "militants" in the Niger-Delta and ethnic "vigilantes" in other parts of Nigeria. Corruption had led young men and women who felt that the Nigerian state had abandoned them, to take up arms against the state with a view to getting their share of the so called 'national cake' by any means possible. Some of these militant groups have enough arms and ammunitions to burn the country ten times over. The government of Nigeria seems incapable of tackling the problems posed by these armed youths since the problem is purely economic and can only be solved when corruption is reduced to its minimum

#### 5.4 Anti-Corruption Policy in Nigeria.

That corruption and corrupt practices are inimical to economic development is a fact not lost on any of the successive Nigerian leaders both military and civilian alike. Virtually every one of these leaders came into office promising to tackle corruption head-on. Surprisingly however, most of them end up being practitioners. From independence in 1960 to date, several measures have been

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<sup>71</sup> ibid

<sup>72</sup> See Mauro, P. (1997)

<sup>73</sup> Cf Lambsdorff (2006)

<sup>74</sup> Ibid

put in place with a view to bring down the level of corruption. Some of these measures are constitutional or legal while others involve the use of propaganda and public awareness campaigns.

The promulgation of decrees during the military era; Acts of parliament during a democratically elected government and the establishment of institutions empowered by law to arrest and prosecute corrupt officials<sup>75</sup> are some of the ways Nigerian leaders have tried to fight corruption in the country. A list of some of the very important instruments that have been put in place and backed by law to combat corruption are listed below. The reason for this list is to show that Nigeria has enough laws put in place to tackle corruption if only the leaders were sincere about the fight against corruption. Of course, these laws become a mere formality if the political will on the part of government is lacking. The list includes:

- (1) Corrupt Practices Decree of 1975.
- (2) The Public Officer (Investigation of Assets Decree No. 5 of 1976)/Forfeiture of Assets.
- (3) Decree No. 53 of 1999.
- (4) Failed Bank Tribunal set up by the Abacha military government.
- (5) Code of Conduct Bureau provided for by the 1979 Nigerian Constitution.
- (6) Code of Conduct Tribunals provided for by the 1999 Nigerian Constitution.
- (7) Due Process in all the Federal Ministries and Parastatals.
- (8) Independent Corrupt Practices and Other Related Commission (ICPC).
- (9) Economic and Financial Crimes Commission (EFCC).

Political education such as War against Indiscipline (WAI) introduced by the Buhari military government between 1983-85, War against Indiscipline and Corruption (WAIC) implemented by Abacha 1993-1998 and the National Orientation Agency under the civilian administration of Olusegun Obasanjo have also been used at various times to fight corruption<sup>76</sup>.

### **5.5 Why Have All These Measures Failed to Check Corruption in Nigeria?**

With all the above measures in place, one would have expected that the problem of pervasive corruption in Nigeria should have been reduced to a minimum level. The reality on ground is far from this; corruption in all ramifications is spreading even more rapidly and threatening to destroy the very fabric of the society. A number of reasons can be given to explain why anti-corruption agencies or bodies are not able to tackle the problem of endemic corruption.

Firstly, the nature of the Nigerian state with its biasness towards tribalism serves as a fertile ground for corruption. The average Nigerian who occupies a federal position sees it as an avenue to give employment to people from his tribe even if some of these people are not qualified. He uses his position to carry out some developmental projects in his community while deliberately refusing to do the same in some other communities. His calculation is that when he leaves office eventually, he will have an appreciative community to retire to. He also uses his position to embezzle as much money as possible. When, if at all he is eventually caught, his appreciative community gives him all

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<sup>75</sup> See Ogundiya (2009; p 290)

<sup>76</sup> *ibid*

the supports he need by using propaganda, intimidation, threat, alleged tribal victimization to force the federal government to drop the charge against him or at least be liberal in punishing the accused. The corrupt individual who should really be in prison returns to his kinsmen a hero and may even be lucky to have a street named after him for his “contribution to the development” of his community. A very good example is that of former governor of Delta State of Nigeria, James Ibori who is in a British jail at the moment facing trail for money laundry and embezzlement of public fund while he was governor of Delta State for eight years. His community back home sees him as a “hero” despite all the financial atrocities he committed in Nigeria.

Secondly, the political will to implement the anti-corruption laws is often lacking among the Nigerian ruling class. Brinkerhoff (2000:240 cf Ogundiya 2009:290) noted that successful anticorruption efforts depend upon a strong political will. He went on to say that both the political will to initiate the fight against corruption in the first place and the will to sustain the battle over time until results are achieved must be present ‘if the fight is truly to be won’. The political will to fight corruption for most Nigerian politicians is simply not there since in the first place, the politicians were themselves products of the corrupt system. They got into their various offices through election rigging, vote buying, by the help of a political godfather, political assassination and outright bribing of electoral officers and security agents. Fighting corruption for such politicians and their bureaucratic counterparts is a sure way of committing political suicide. They will therefore choose to pay lip service to the fight against corruption as against tackling the problem.

Thirdly, there is the problem of poverty among the Nigerian people. The politicians do not really care about the economic well being of the people as they; the politicians are simply in power to serve their selfish interests. The high rate of poverty makes it easy for politicians to bribe the voters with bags of rice, salt and empty promises before each election so as to secure their votes. In the case of Nigeria, corruption breeds poverty and poverty in turn helps corruption to thrive.

The Judiciary in Nigeria can also be said to constitute a big problem in the fight against corruption. The reason for this is that corrupt politicians and their bureaucratic cohorts find it easy to bribe Judges who then go ahead to frustrate prosecutors by unnecessary court adjournments, outright dismissal of corruption cases and granting liberal bail terms to those charged with embezzlement and theft of public funds. Nigerian’s former Attorney General Michael Aondoakaa who is known for being the most corrupt Attorney General in the history of Nigeria was famous for interfering in court cases in order to deliberately frustrate corruption charges against politicians and public officer holders. Only recently, the Chairman of the Economic and Financial Crimes Commission-Mrs. Farida Waziri cried out over the way and manner the courts were frustrating corruption cases against politicians and pleaded with the Federal Government to set up special courts to try corruption cases.<sup>77</sup>

Lastly, the fight against corruption in Nigeria has not really being fought on a sustainable level. This is contrary to the assertion that, the fight against corruption was a challenging long time undertaking (Brinkerhoff 2000:240 cited in Ogundiya 2009: 290). One of the reasons for this apparent lack of a sustainable fight against corruption is due largely to constant change in political

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<sup>77</sup> See Punch of Monday 23 May, 2011.

power mostly during the military era resulting also in constant changes in anticorruption laws. The civilian administrations on the other hand, are not too sincere about fighting corruption except to use anti-corruption agencies as an instrument to witch hunt political opponents.

## CHAPTER VI.

### CONCLUSION AND POLICY RECOMMENDATIONS.

#### 6.1 Conclusion:

There is no doubt that economic growth has been stagnant in Nigeria due to the problems associated with endemic corruption. This has resulted in no small way to poverty, diseases, violence and other vices that are today characteristics of the Nigerian society. This study has investigated corruption in Nigeria by looking at the two most important players in the society-the political class (be they military or civilian) and the public bureaucracy. It is shown that these two, political class and the public bureaucracy are very much related and that corruption in one can almost not exist without the active connivance of the other.

The paper is of the opinion that the quality of leaders who are responsible to steer the Nigerian state is a product of the Nigerian environment and cannot therefore be expected to be anything but corrupt. Most public office holders in Nigeria from independence in 1960 till date, actually got into positions of authority, not because they were voted in by the electorates but rather by rigging elections either with the help of their political godfathers or bribing electoral officers and the police to look the other way while they perpetuate their evil acts of stealing and stuffing ballot boxes with fake voters cards. These politicians and their cohorts- the bureaucrats being a product of the Nigerian system therefore, are only playing according to the dictates of the Nigerian society. This point can be further buttressed by the fact that in a thoroughly corrupt setting like we have in Nigeria, even people who think corruption is morally wrong are usually likely to take part because they see no point in doing otherwise since “all” other agents take part in the corrupt game (della Porta & Vannucci. 1999).<sup>78</sup>

The weak institutions in Nigeria which this paper argues are kept weak so as to provide a leeway of escape for the corrupt agents within the system, the kind of federal structure which gives so much power and resources to the central government while reducing the federating states to nothing but a beggarly entity within the union and our traditional cultural with its strong emphasis on ‘reciprocity,’ are some of the aspects for understanding not only the developmental tragedy but also of the pandemic and seemingly insoluble problem of political and bureaucratic corruption in the Nigeria.

While the formal institutions in Nigeria can be said to be weak and corrupt, the informal institutions on the other hand can be said to be strong but also corrupt. This can be seen from the fact that the latter emphasizes trust and loyalty first and foremost to the tribe or ethnic group as against the country. Thus trust and loyalty become an inducement for corrupt practices since it places a high premium on reciprocity (we do this for you with the hope that you do that for us or our community). The corrupt practices in the formal institutions that had rendered the Nigerian state soft is therefore a carry over of the corruption in the village, tribal or ethnic setting in the form of informal institutions. This can be seen from the fact that corrupt politicians often get the support and solidarity of their kinsmen and tribes whenever they are arrested for corruption related offences.

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<sup>78</sup> See Bo Rothstein (2011)

In conclusion, while it is true that the problems of bureaucratic corruption have assumed an alarming proportion in Nigeria, it is not enough for observers to begin to ascribe to Nigeria and the Nigerian people the stigma of “culture of corruption”. This is not based on an objective true assessment of the reality on ground. The truth of the matter (see Smith 2007) is that majority of the Nigerian people hate corruption and corruption-related practices as can be seen from their actions and utterances whenever a politician or government official is arrested and brought to trail for corruption related offences. Also, the fact that the EFCC which is waging a war against financial crimes in Nigeria have succeeded not only in arresting and prosecuting quite a number of influential and powerful politicians and bureaucrats on corruption related offences and also going ahead to recover billions of dollars stolen from Nigeria is a clear indication that the fight against corruption is on course.

## **6.2 Policy Recommendations:**

All said and done, the big question now is what is the way forward? How do we get out of the seemingly insoluble problem of pervasive corruption in Nigerian? The following policies though not exhaustive are recommended as a way out while bearing in mind the enormous and multidimensional nature of the problem.

Firstly, there must be strong political will among the political leadership of Nigeria to genuinely fight corruption to a stand still. In this case, there should be continuity in the fight against corruption which must also be carried over from one administration to another as against the situation in the past where every new administration jettisons the previous administration’s efforts whether good or bad instead of strengthening it.

Secondly, the Nigerian Judiciary should be made free from the control of the ruling government or political party in power. Judges’ salaries, appointments and promotions, demotions or outright dismissals should be in the hands of, for instance, a “Judicial Council” which must be independent and draws its power directly from the constitution as against the whim and caprices of the government in power.

Thirdly, since the Economic and Financial Crimes Commission (EFCC) has proved beyond reasonable doubt to be the most efficient when it comes to tackling head-on corruption and other financial crimes matter compared to other similar agencies in Nigeria, the EFCC should now be made independent from the executive arm of government especially the President of Nigeria. This is to prevent the kind of situation witnessed during the tenure of former President Obasanjo who was in the habit of intimidating political opponents with arrest from the EFCC. The commission should also be given far reaching powers to investigate political office holders including the President of Nigeria if strong evidence exists of corrupt practices.

Again, the immunity clause protecting public office holders like the President, Vice President, governors and some other categories of public official should be revoked. The fear of being investigated and actually convicted while still in office will go a long way in keeping public officials in check as against a situation where they can hid under the so called “immunity clause” to commit financial crimes.

Plea bargain is a recent introduction into the Nigerian legal system. It is a situation that allows a given politician to say “look I stole 200 million dollars while in office but I am willing to return 75 million dollars so that I can go free”. A typical example was the one entered into with the late General Abacha’s family. A lot of Nigerians have criticized this system as inimical to the country’s fight against corruption but the political elites who seem to have formed an unholy triangular alliance with the judiciary and the public bureaucrat are bent on maintaining the status quo since it is also a way of protecting themselves against a future unknown. This system of plea bargain must be abolished if we are really serious about winning the fight against corruption in the country.

Today in Nigeria, corruption has high benefits and low risks. If however, it carries high risk and low benefit, the politicians and bureaucrats may become more cautious in their actions while in public office. A way of doing this is to make corrupt politicians and bureaucrats forfeit all their ill gotten wealth in addition to been sentenced to prison without any option of fine. After which, the convicted politician or bureaucrat may be black listed and seen as an enemy of the Nigerian state. This will definitely go a long way in curbing corruption.

The salaries, pensions and gratuities of civil servants should be reviewed upward in line with the reality of present day Nigeria. A situation where politicians allocates to themselves millions of naira every month as salaries<sup>79</sup> and other allowances while the civil servants are poorly paid is unacceptable and a major cause of corruption in the public service. An upward review of their entitlement will go a long way in reducing public sector corruption.

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<sup>79</sup> See Punch of Wednesday 18<sup>th</sup> May 2011.

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